

HB 2528-A7
(LC 446)
6/4/25 (CMT/ps)

Requested by Representative RESCHKE

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2528**

On page 1 of the printed A-engrossed bill, line 2, after “323.500,” insert “323.505,”.

On page 5, after line 25, insert:

“SECTION 3a. ORS 323.505 is amended to read:

“323.505. (1) A tax is hereby imposed upon the distribution of all tobacco products in this state. The tax imposed by this section is intended to be a direct tax on the consumer, for which payment upon distribution is required to achieve convenience and facility in the collection and administration of the tax. The tax shall be imposed on a distributor at the time the distributor distributes tobacco products.

“(2) The tax imposed under this section shall be imposed at the rate of:

“(a) Sixty-five percent of the wholesale sales price of cigars, but not to exceed one dollar per cigar;

“(b) One dollar and seventy-eight cents per ounce based on the net weight determined by the manufacturer, in the case of moist snuff, except that the minimum tax under this paragraph is \$2.14 per retail container; [or]

“(c) Ten cents per container of 25 or fewer oral nicotine pouches and 20 cents per container of more than 25 oral nicotine pouches; or

“[(c)] (d) Sixty-five percent of the wholesale sales price of all tobacco products that are not cigars [or], moist snuff or oral nicotine pouches.

“(3) For reporting periods beginning on or after July 1, 2022, the rates

1 of tax applicable to moist snuff under subsection (2)(b) of this section shall
2 be adjusted for each biennium according to the cost-of-living adjustment for
3 the calendar year. The Department of Revenue shall recompute the rates for
4 each biennium by adding to the rates in subsection (2)(b) of this section the
5 product obtained by multiplying the rates in subsection (2)(b) of this section
6 by a factor that is equal to 0.25 multiplied by the percentage (if any) by
7 which the monthly averaged U.S. City Average Consumer Price Index for the
8 12 consecutive months ending August 31 of the prior calendar year exceeds
9 the monthly averaged U.S. City Average Consumer Price Index for the 12
10 consecutive months ending August 31, 2020.

11 “(4) If the tax imposed under this section does not equal an amount cal-
12 culable to a whole cent, the tax shall be equal to the next higher whole cent.
13 However, the amount remitted to the Department of Revenue by the taxpayer
14 for each quarter shall be equal only to 98.5 percent of the total taxes due
15 and payable by the taxpayer for the quarter.

16 “(5) A tax under this section is not imposed on inhalant delivery systems
17 that are:

18 “(a) Marketed and sold solely for the purpose of vaporizing or
19 aerosolizing marijuana items as defined in ORS 475C.009; or

20 “(b) Purchased in a medical marijuana dispensary that is registered under
21 ORS 475C.833 by a person to whom a registry identification card has been
22 issued under ORS 475C.783.

23 “(6) No tobacco product shall be subject to the tax if the base product
24 or other intermediate form thereof has previously been taxed under this
25 section.

26 **“SECTION 3b. The amendments to ORS 323.505 by section 3a of this**
27 **2025 Act apply to tobacco products tax reporting periods beginning on**
28 **or after January 1, 2026.”.**